GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

MA&UD Department - Eluru Smart City Corporation Limited (ESCCL) - Swiss Challenge Proposal submitted by M/s. Shapoorji Pallonji and Company Private Limited (SPCPL) the Original Project Proponent for Eluru Smart City – Acceptance of 15% over the estimated project cost Rs. 1233.17 agreed by OPP - Orders Issued.

MUNICIPAL ADMINISTRAION & URBAN DEVELOPMENT (UBS) DEPARTMENT

G.O.Ms.No.65 **Dated:12.02.2019**

Read the following:

1. G.O.Ms.No.58, Municipal Administration & Urban Development(UBS)Department dated 08.02.2017.
2. G.O.Ms.No.250, Municipal Administration & Urban Development (UBS) Department, dated 31.07.2018.
3. G.O.Ms.No.392, Municipal Administration & Urban Development (UBS) Department, dated 10.12.2018.
4. From the Director ESCCL Letter No 023/ESCCL/2017-18, dt.07.01.2019.
5. G.O.Ms.No.32, Municipal Administration & Urban Development (UBS) Department, dated:22.01.2019,

***

O R D E R:

In the reference 1st read above, Government ordered that the Eluru Smart City project shall be implemented through Integrated Infrastructure Development approach through Hybrid Annuity Model based on Financial feasibility and considerations through Swiss Challenge Approach and considered the EoI submitted by SPCPL as an Original Project Proponent (OPP) and the developer selection process shall be carried out as per the provisions as per the Andhra Pradesh Infrastructure Development Enabling (Amendment) Act 2001. Andhra Pradesh Urban Infrastructure Asset Management Limited shall act as a transaction adviser for the said project.

2. In the reference 2nd read above Government considered the detailed proposal submitted by M/s.SPSCPL for Eluru Smart City and permitted the Eluru Smart City Corporation Limited to invite the counter proposals under Swiss Challenge approach as per APIDE Act, 2001 and Amendment issued from time to time.

3. In the reference 3rd read above Eluru Smart City Corporation Limited has been permitted to move forward with the issue of RFP (Stage.2) and invite counter proposal from the qualified bidder as per the provisions of the Andhra Pradesh Infrastructure Development Enabling Act, 2001 & Amendment Act No.3 of 2017 (the APIDE Act) and assess the reasonableness of the commercial bid of the Original Project Proponent along with the counter proposal so received from the qualified bidder and examine the same with the internal benchmark value as arrived by the ESCCL for the subject project and upon evaluation and further negotiations vis-à-vis Internal Bench Mark and take a final decision keeping the interest of the State paramount.

Contd..2

4. In the reference 4th read above the Director, Eluru Smart City Corporation Limited has informed that the ESCCL has issued the RFP document to M/s NCC Limited and M/s NCC Limited has submitted its RFP on 31st December 2018. The Commercial Bid of M/s NCC Limited was opened on 3rd January 2019 at 4:00 PM The entire process has been evaluated and the project PMC & Transaction Advisor has submitted the evaluation report.

5. Government on examination observed that the quote of the OPP with a premium of 17.5% is very high and the counter proposal from the qualified bidder i.e. M/s NCC Limited has quoted a premium of 16.95%. The difference between the OPP and the counter challenge proposals of the M/s NCC is only 0.55%. The APUIAML who are the PMC of the project has based on various approaches, given the integrated nature of project which is expected to completely transform Eluru, suggested a premium up to 12% as reasonable.

6. In the reference 5th read above, Government constituted a Committee to go through the proposal and negotiate with the Original Project Proponent to bring down the premium. The Committee in its Meeting held on 25.01.2019 by considering all points, recommended the premium of 12 percent over the estimated project cost as submitted by OPP to the Government. However, given the complexity and the risks involved in the project, the OPP has expressed its inability to undertake the project at anything less than 15%. The Committee recommended that Government may take appropriate decision as the project is unique covering pan city, covering all civic services and the required infrastructure in an integrated way, under Hybrid Annuity Model.

7. Government after careful examination of the report of the Committee hereby accept the premium of 15% as agreed by M/s.SPSCPL who is the Original Project Proponent over the estimated project cost Rs. 1233.17 as the Project is expected to bring significant socio-economic benefits to the city as the project comprises of development/improvements of multiple sectors such as water supply, sewerage, STP, power(smart grid & energy management), road & junctions, traffic management, storm water management, construction of iconic structure and canal development along with development of ICT elements in all the proposals and also as the entire project is being connected, monitored and controlled by developing state of the art command & control centre.

8. The Director, Eluru Smart City Corporation Limited shall take necessary further action for awarding the work as per the detailed project proposal of M/s.SPSCPL the Original Project Proponent and enter into Concession Agreement duly following the procedures / rules / acts in force.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

R.KARIKAL VALAVEN
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Director, Eluru Smart City Corporation Limited, Eluru.
The Commissioner, Eluru Municipal Corporation.

Copy to:
The Managing Director, APUFIDC, Guntur
The CEO, APUIAML. Vijayawada.

//FORWARDED BY ORDER//

DEPUTY DIRECTOR